

or Representative Cavanaugh, fought this bill diligently and I think Representative Cavanaugh with his legalistic background, understands the insurance industry. He spent a lot of time with it and I've spent a lot of time with it and I've had pressure from the companies I represent and the companies I work for, not undue pressure. They would have preferred to have this bill. This is not a bill for me professionally, easy for me professionally to oppose...

PRESIDENT: One minute.

SENATOR DWORAK: ...but I think in good conscience, in good conscience, representing the majority of the people, the thirty three thousand people we represent in their best interest, this bill does nothing for them and it should be killed.

PRESIDENT: Senator Clark. Senator Clark. Could you tell them you'll call back, Senator Clark? Tell them you'll call back, Senator Clark. Your light is on. All right, now you can go ahead and finish your telephone. Well, Senator Cope.

SENATOR COPE: Mr. President, members, I would ask you to oppose the kill motion and I think you could use Senator Dworak's argument. He keeps saying, my own money. Well the average small policyholder, I won't say small person, the small policyholder seldom borrows on their insurance policies. I've taken a little poll around in this area and I have talked to people and they just don't borrow on them. It's there and it's good to have and we all, up till now, can borrow it at six percent, but who does borrow is the large policyholder. He's borrowing my own money at six percent. Now personally, I would like to have my money invested, if you can say invested, we don't buy insurance for that reason, and getting an eight percent return, hoping that I'll get some extra dividends on the money that I have in that policy.

PRESIDENT: Senator Koch.

SENATOR KOCH: Mr. President, members of the body, when LB 262 became an eminent piece of legislation, I took some time to research it with the Department of Insurance. Their unofficial opinion of the bill is as follows, without taking a position on one way or the other. This bill LB 262 could have the effect of lowering premium rates on policies issued in Nebraska. He said that this was especially true of mutual companies or of stock companies issuing participating stocks. That there is, because of higher interest rates on loans, less money will be loaned out by the company, thereby resulting in more money being available to the company for investment. The return on investments by mutual and participating stock companies would be returned to policyholders in the form of a dividend. In the event all insurance companies would have to file new policy forms with the Department of Insurance for approval prior to changing any interest rate of loans against insurance policies. The Department of Insurance will have to handle the administration of this act and indeed it will be sometime before it would become full in its effect. In addition to this I think you should also realize it's been well documented and I think this is documented from the insurance journals, that the use of a six percent rate results in the subsidy of those who borrow on their policies at the expense